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**EX PARTE**

March 21, 1997

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W. Room 222  
Washington, D.C. 20554

MAR 21 1997

RE: In the Matter of Federal-State Joint Board on Universal Service -  
CC Docket No. 96-45

Dear Mr. Caton,

Pacific Bell, Sprint, and U S WEST, the joint sponsors of the Benchmark Cost Proxy Model (BCPM) respectfully submit the enclosed version of the model. The BCPM was developed to assist the Federal-State Joint Board in the above referenced proceeding to illustrate the proxy costs of the local exchange network for use in the development of a new, explicit universal service fund. The model has been refined over a period of time and the enclosed version does not materially differ from the previous version of the BCPM. The joint sponsors have assigned the designation of BCPM Version 1.1 in order to assist users of the model.

Version 1.1 consists of the following refinements:

1. All input files were scrubbed for data integrity and proper sorting. (Data input files were found to have been corrupted in the CD-ROM duplication process.)
2. The model controls were changed to allow for reporting of all CBG or wire centers within the selected rollup option, such as all wire centers in a company.
3. The "Conduitperductfoot" variable reference was changed from Cost Table Inputs Tab cell D119 (the cost per duct foot prior to any sharing ratio being applied) to the same tab cell I119 (after sharing ratio applied). The default sharing retention ratio was 100% so there is no impact on results.
4. Main Logic Tab, Column BH (subfeeder cable size) algorithm was changed from sizing on the number of lines in the CBG to the number of lines in the CBG less lines served by DS-1s plus pairs used for T1 backbones if the CBG is served by copper plant.

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List ABCDE

Mr. William F. Caton

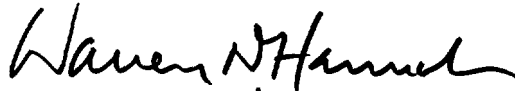
March 21, 1997

Page 2

5. Main Logic Tab, Column GG (Underground feeder extension Part 2 structure) was changed for each of the three look ups in the algorithm to reference column 2 (underground costing) instead of column 4 (buried costing).

Pacific Bell, Sprint, and U S WEST request that this information be made a part of the record in this matter. Two copies of this letter, in accordance with Section 1.1206(a)(1), is provided for this purpose. If there are any questions, please feel free to call.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Warren D. Hannah". The signature is fluid and cursive, with the first name "Warren" being more prominent.

Warren D. Hannah

Attachment

c: ITS  
Jeanine Poltronieri, FCC, Washington, D.C.  
Robert Loube, FCC, Washington, D.C.  
Glenn Brown, U S WEST, Washington, D.C.  
Alan Ciamporcero, Pacific Bell, Washington, D.C.  
Jim Sichter, Sprint, Fairway, KS

# Benchmark Cost Proxy Model

## Instruction Manual

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## Starting the BCPM Model

### Minimum Hardware Requirements for Running BCPM

**Pentium® 133 MHz processor or faster.**

**32 Meg of RAM**

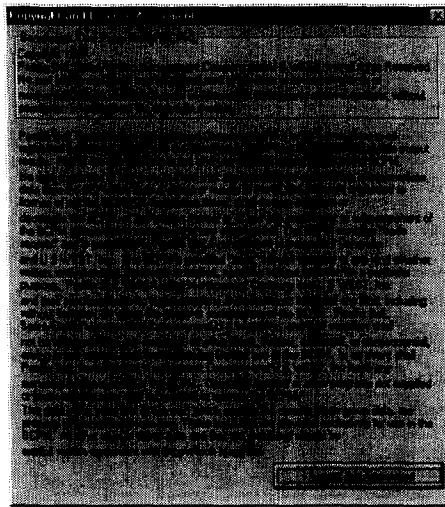
**CD-ROM Drive**

**155 Meg Hard Drive Space**

### Installation Instructions

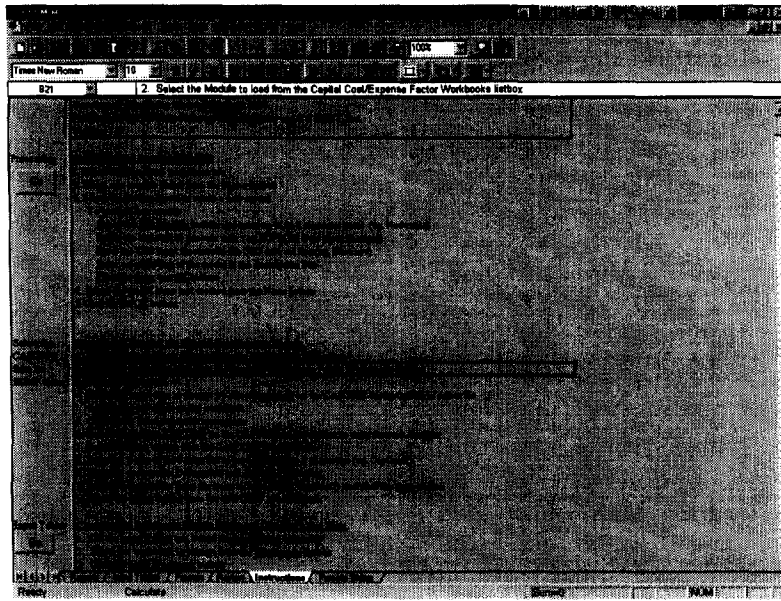
Insert the CD-ROM into your drive and click on Start, Run, `d:\install.exe` and click OK. The installation will guide you from there.


The BCPM is written in Microsoft ® Excel 7.0®. To start the BCPM Model first start MS Excel 7.0® and then open the BCPCNTRL.XLS file. That file will be in the installation directory you created during the installation. That will start the model. You will see a license screen like this.



If you accept the license terms of this model then click on the "I accept this agreement" button at the bottom the license agreement


When you click on the Accept Agreement button the system will then take you to the reports processing tab. Look to the bottom of the screen and click on the "Instructions" tab. This will open a screen like this.

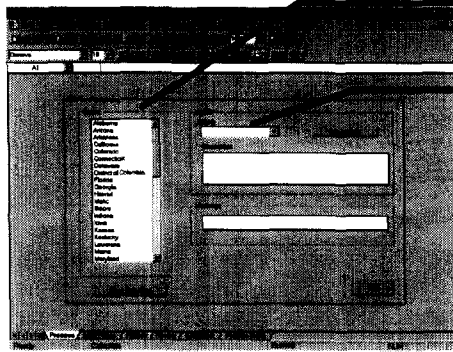


You will notice “GO Buttons  along the left margin of the screen as you scroll down the document. They relate to the topic that starts at the right of the button.

## Using the Model

### A. Processing the Investment Module

Select the "Process" worksheet tab or press the "Go button"  to the left of this topic. The system will bring up the processing screen.



Select one or more states from the States listbox

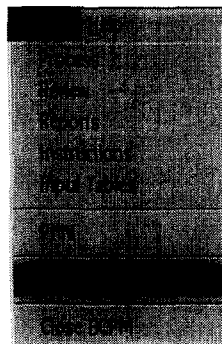
Select an existing model or create a new model

#### To create a new model:

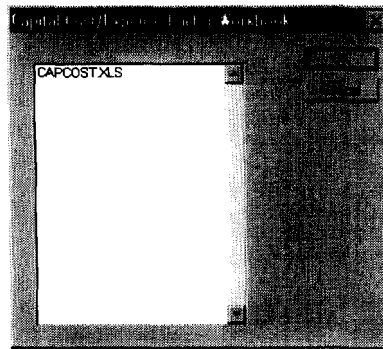
- Select the "Edit Models" button and then Click on the "New" button and enter up to an 8 character name. (e.g., Newcosts) then click on the OK button.
- Select the logic set to process with (e.g., BCPM.xls if no input changes)
- Enter the CBG input file name in the CBG data set box (e.g., Base.csv)
- Enter a description of the model in the description box
- Click the "Save" and then the "OK" button.
- Select the model name just created from the Name listbox
- Click on the OK button

### B. Process or Changing the Capital Cost/Expense Module

1. Select the Capital Cost Factors from the BCPM menu bar option



2. Select the Module to load from the Capital Cost/Expense Factor Workbooks listbox



3. Click the OK button
4. Select the input data to change by selecting Inputs on the CAPCOST Menu Option or select the appropriate Input tab on the workbook
5. Change the input values as appropriate

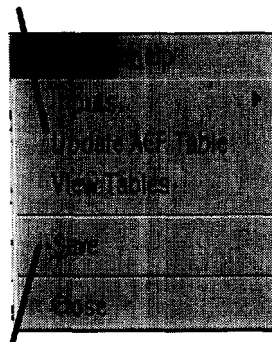
Times New Roman 10 100%  
B12 =Account Inputs!C12

**BCPM Capital Cost & Expense Module**  
Account Capital Cost (Annual Basis)

Account	Economic Life (years)	Return	Depreciation	Federal Income Taxes	State Income Taxes	Other Taxes	Total Capital Cost Rate
Land	0	0.1139	0.0000	0.0474	0.0050	0.0068	0.1731
Motor Vehicle	8	0.0814	0.1085	0.0335	0.0036	0.0068	0.2342
Special Purpose Vehicles	10	0.0856	0.0757	0.0357	0.0037	0.0068	0.2075
Garage Work	12	0.0753	0.0812	0.0314	0.0033	0.0068	0.1979
Other Work	14	0.0772	0.0710	0.0321	0.0034	0.0068	0.1905
Building	42.5	0.0824	0.0250	0.0343	0.0036	0.0068	0.1521
Furniture	16	0.0837	0.0503	0.0349	0.0037	0.0068	0.1893
Office Support	11	0.0729	0.0896	0.0304	0.0032	0.0068	0.2028
General Purpose Computer	5.5	0.0671	0.1724	0.0279	0.0029	0.0068	0.2771
Switching	10	0.0812	0.0953	0.0338	0.0035	0.0068	0.2207
Circuit/DLC	8.5	0.0777	0.1154	0.0324	0.0034	0.0068	0.2356
Pole	30	0.0806	0.0680	0.0336	0.0035	0.0068	0.1925
Aerial Copper	12.5	0.0684	0.0915	0.0285	0.0030	0.0068	0.1982
Aerial Fiber	19	0.0756	0.0629	0.0315	0.0033	0.0068	0.1802
Underground Copper	11.5	0.0666	0.0908	0.0270	0.0029	0.0068	0.1953

Account Charge Factors  
Calculation

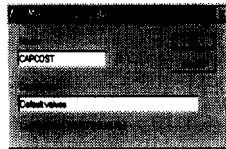
6. Select the Update ACF Table on the CAPCOST Menu Option to carry forward changes



7. Select the Save option from the CAPCOST Menu Option




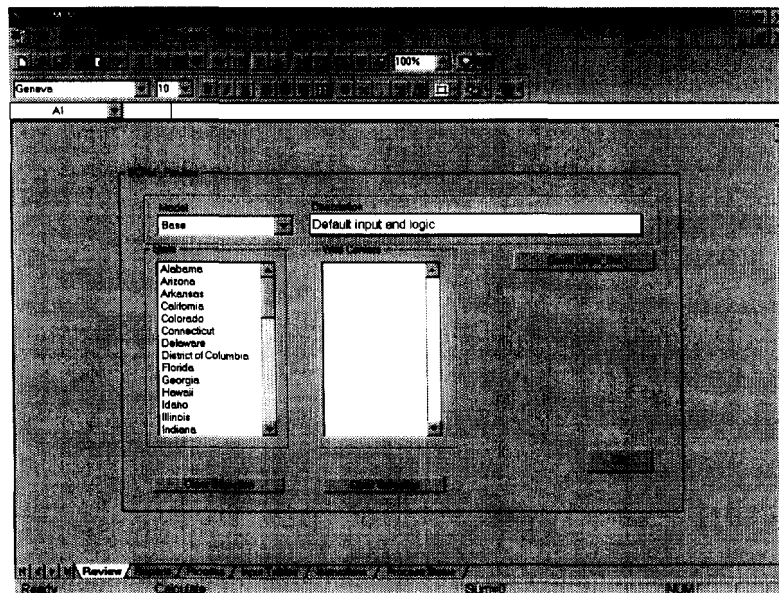
8. Enter the Name of the Factor Set to save using up to 8 characters (eg. CapCost1)



9. Enter the appropriate Description and click the OK button
10. Enter the appropriate Excel file name to save as (eg. CapCost1) and click the Save button
11. Select the Close Option from the CAPCOST Menu Option
12. This will take you back to the main workbook

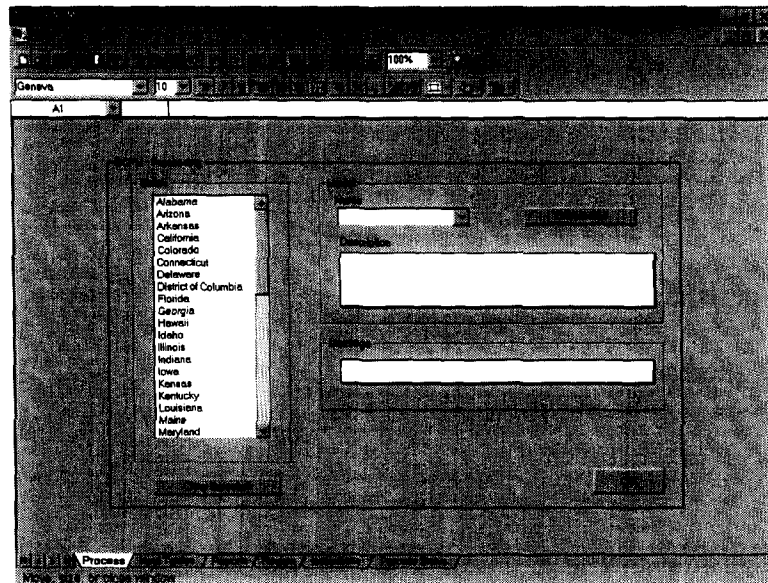
### C. Changing the Investment Module Inputs and Creating a new View


1. On the Input Tables tab, select the Input Type to modify or press the “Go” button to the left of the help screen. . This will open the Modify Tab. You will see this.




2. Select the type of input you wish to change and that will then list the workbooks for that type.
3. Select the workbook to change from the Workbooks listbox
4. Click the Load Workbook button
5. In the Specific Area box, select the Worksheet and Range Name to modify
6. Make the appropriate changes to the inputs
7. Once the changes are made, select the Input Tables option from the BCPM menu option
8. Click the Save Worksheet button
9. Enter a file name up to 8 characters
10. Click the Close Workbook button
11. Select the Process Tab and choose a Model Name for the Investment module

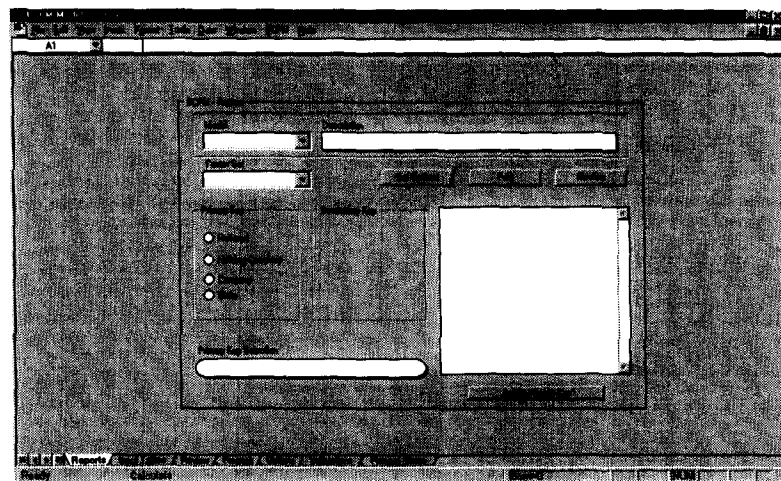
12. Select the module in the drop down Logic Set box



13. Enter the CBG data set input file name if different from the Base.csv input file  
 14. Enter a description of the model name  
 15. Click the Save button and then the OK button  
 16. Select the alternate view you created in the drop down Name listbox  
 17. Select a state or states for the Investment module to process  
 18. Click on the OK button   
 19. Select the CapCost from the BCPM menu bar if processing the Capital Cost/Expense module  
 20. Follow the steps above in the Processing or Changing the Capital Cost/Expense module

#### D. Processing the Reports Module

1. Select the Reports worksheet tab from the BcpCntl.xls Workbook or click the Go Button  from the Instruction Tab. That will bring up this screen.

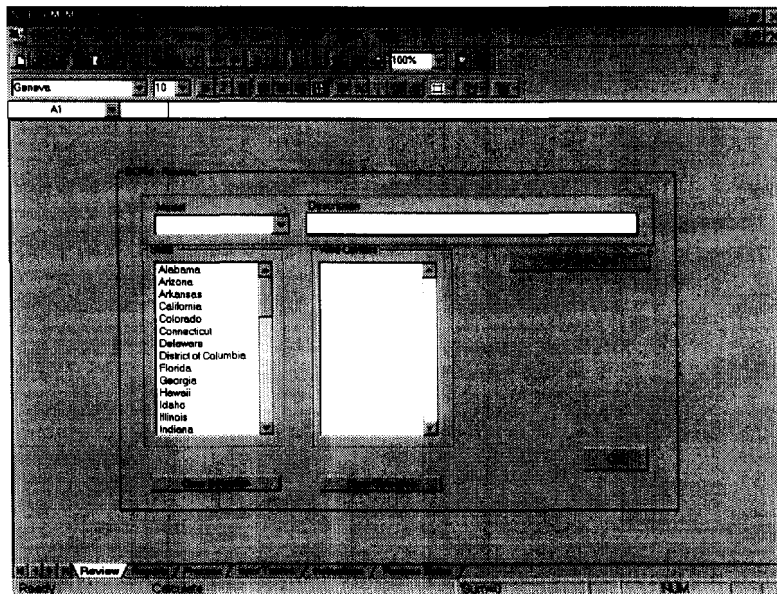



2. Select the Model name to use (e.g., Base)  
 3. Select the Factor Set to use (e.g., CapCost.inf)

4. Click the Primary Key to base the report on Primary Key definitions:
5. **National** will process all state files that have the model name (e.g. Base) in the state directory
6. **Holding Company** will process all states or a state selected for that Holding Company
7. **Company** will process all states or a state for that Company
8. **State** will process the state selected or selected wire centers or CBG's within the state
9. Click the Select Primary Key button to select the Primary Key
10. Select the Secondary Key if appropriate, if not selected, default to all states, wire centers or CBG's
11. Click to Review button to load the data into the Reports for viewing
12. Click the Print button to print the report and then close the Report workbook

#### E. Reviewing data in the Investment Module

1. Select the Review worksheet tab or press the "Go" button to the left of this item on the Instruction Tab.



2. Select a Model to review
3. Select a State to review
4. Select one or more Wire Centers or CBG's
5. Click the OK button 

#### Notes:

- A. The "Close Logic-Set" button closes the active BCPM logic set. If no logic set is currently loaded, a message is displayed in the status bar area of the worksheet.
- B. The "Clear Selection" buttons under the listboxes clear any selected items. In addition, when the State selection is cleared all Wire Centers are also removed.
- C. Any settings on the "Reports" sheet should remain unchanged when returning from the BCPM worksheet.
- D. The number of Wire Centers or CBG's that may be viewed at one time is dependent on the amount of computer memory. Also as more Wire Centers or CBG's are selected, response time slows.

#### F. Tips and Error Conditions

- To print reports in any module, use the Print option in the BCPM menu bar
- If you encounter a writing output file error, make sure the attributes are set to Read/Write through the file properties menu option. Make sure you ran SETUP.BAT when installing.
- If you get a File already Open error condition, Exit out of Excel and reload the BcpCntrl.xls control file and restart process
- If the display does not fit properly within your screen dimensions, reset your display area by going into the Control Panel, select the Display icon, then the MGA Settings tab and adjust your display area to 800 by 600. Also, change the Font Size to Small Fonts on that same screen.
- To assist in moving between modules or tabs, use the BCPM drop down menu on the Excel Menu Bar.
- If Capital Cost changes did not appear to change the Annual Charge Factor Table, made sure you select the Update AFC Table from the CapCost drop down menu on the Excel menu bar after the changes are made. Then select Save from the CapCost drop down menu

**For support on this product please call the BCPM support line at 1-800-746-4356**

DOCUMENT OFF-LINE

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- o An oversize page or document (such as a map) which was too large to be scanned into the RIPS system.

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- ✓ o Other materials which, for one reason or another, could not be scanned into the RIPS system.

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